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July 30, 2014

**VIA ELECTRONIC-FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Request of Piedmont Natural Gas Company, Incorporated for Limited Waiver of Rate Schedule 206  
Billing Procedures  
**Docket No. 2014-323-G**

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") has reviewed and discussed with Piedmont Natural Gas Company, Inc. ("Piedmont" or "Company") representatives, the above-referenced matter. The Company seeks a waiver of Rate Schedule 206 billing procedures on a one-time basis for two interruptible customers for "Emergency Service" and request to file any proposed tariff revisions following completion of discussions with ORS.

In response to cold weather events of January 2014, Piedmont issued requests to certain interruptible customers to restrict or modify use of natural gas during the high demand periods. Piedmont billed two customers that had requested Emergency Gas the tariff rates for transportation service as well as the premium portion of Rate Schedule 206. However, it did not bill the compensatory commodity rate. This rate is calculated as the higher of two commodity indexes applicable to the period of services as stated in Rate Schedule 206. Piedmont determined that the charge was unduly punitive and not reasonable. Piedmont did not purchase gas on the daily market during this period for these customers and did not incur any material gas cost in providing the service.

Based upon our review of the material filed and investigation by ORS into this matter, we have no objection to Piedmont's request.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/swh

cc: Nanette Edwards, Esquire, Deputy Executive Director, SC ORS  
Jane Lewis-Raymond, Esquire, Senior V-P and Chief Legal Counsel, PNG  
Scott M. Tyler, Esquire